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Industrial Development Board

Resumed eighth session
Vienna, 23 August 1991
Agenda item 11

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS SEVENTH SESSION

Addendum

Resumed seventh session of 23 August 1991

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Introduction

1. The Programme and Budget Committee resumed its seventh session for the second time at UNIDO Headquarters, Vienna International Centre, on 23 August 1991 under the chairmanship of Vice-Chairman G. E. Clark (United Kingdom of Great Britain and Northern Ireland).

2. In accordance with its conclusion 1991/15, paragraph (b), the Committee resumed consideration of item 10 of the agenda of its seventh session, e.g. programme and budgets, 1992-1993.

3. The following 25 of the 27 members of the Committee participated in the resumed session:

Algeria, Bolivia, Brazil, Colombia, Czechoslovakia, France, Germany, Greece, India, Iraq, Italy, Japan, Libyan Arab Jamahiriya, Nigeria, Norway, Philippines, Poland, Saudi Arabia, Switzerland, Thailand, Tunisia, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

4. The following 47 members of UNIDO also attended the session:

Argentina, Austria, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Chile, China, Costa Rica, Cuba, Democratic People's Republic of Korea, Denmark, Ecuador, Egypt, Finland, Guinea, Hungary, Indonesia, Iran (Islamic Republic of), Ireland, Israel, Kuwait, Lebanon, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, Oman, Pakistan, Panama, Peru, Portugal, Qatar, Republic of Korea, Senegal, Spain, Sudan, Sweden, Turkey, Uganda, Ukrainian Soviet Socialist Republic, United Arab Emirates, United Republic of Tanzania, Yemen, Yugoslavia, Zaire.

5. The report contains the conclusions reached by the Committee. Statements made in connection with the adoption of conclusion 1991/16 by delegations wishing to go on record are reflected in annex I to the present report. Annex II contains a list of documents submitted to its resumed seventh session (continued).

6. The conclusions adopted by the Committee as reported below were brought to the attention of the Board at its eighth resumed session.

I. PROGRAMME AND BUDGETS, 1992-1993

7. The Committee considered the revised proposals of the Director-General for the programme and budgets, 1992-1993 (PBC.7/10/Rev.2), a progress report by the Director-General on the computerization programme of UNIDO (PBC.7/19 and Add.1 and 2), a note by the Director-General on the renewal of membership of Australia (PBC.7/20), an addendum to the draft final report of the consultants on the strategic automation project (PBC.7/CRP.13/Add.2), and notes by the Secretariat on assessed contributions to the regular budget (current membership) (PBC.7/CRP.15), on assessed contributions to the regular budget (current membership plus Australia) (PBC.7/CRP.16) and on electronic data-processing programme expenditures, 1989-1991 (PBC.7/CRP.18).

8. After consideration of a draft conclusion on the programme and budgets, 1992-1993 contained in

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document PBC.7/19/Add.2 and additional text submitted by the Chairman, the Committee, after introduction of amendments, adopted conclusion 1991/16.

Conclusion 1991/16

9. The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the efforts made by the Director-General to provide the information contained in document IDB.8/50 and addendums 1 and 2 on the expenditures related to the electronic data-processing (EDP) programme as requested in Board decisions IDB.8/Dec.35 and IDB.8/Dec.36;

"(b) Reminds the Director-General of the requests contained in paragraphs (f) and (l) of decision IDB.8/Dec.36;

"(c) Regrets the increased cost, in real terms, of the EDP programme which has necessitated the reduction or curtailment of other programmes, and also regrets the increase in assessed contributions of Member States in nominal terms of 12.74 per cent;

"(d) Takes note of the conclusion of the Project Liaison Committee (IDB.8/50) that Option 1 proposed by the consultants in their draft final report as contained in document PBC.7/CRP.13 is technically sound and the most suitable and cost-effective programme for computerization at UNIDO at the present time;

"(e) Accepts the proposed expenditure on the EDP programme for the 1992-1993 biennium of $12,322,800 in 1991 dollars as indicated in document IDB.8/50/Add.1 on the understanding that it will be considered in all its aspects by the General Conference at its fourth session, and takes note of the proposed expenditure for the EDP programme for the 1994-1995 biennium of $13,805,200 in 1991 dollars as indicated in document IDB.8/50/Add.1, also on the understanding that these figures are maxima and that no further funding will be made available for this programme;

"(f) Requests that the EDP programme continue to be set out in future budgets as a separate object of expenditure, as shown in document IDB.8/8/Rev.2, and that it be administered in accordance with the Financial Regulations of UNIDO, especially regulations 3.4 and 4.3;

"(g) Instructs the Director-General to ensure strict adherence in future to the Constitution and Financial Rules of UNIDO, and to ensure that no transfer occurs from any other budget line to the EDP programme;

"(h) Requests the Director-General, with a view to ensuring the transparency of all operations concerning the EDP programme and avoiding a repetition of past difficulties, to report to the General Conference at its fourth session and subsequent sessions of the policy-making bodies on the progress and cost of implementing the consultants' recommendations, and requests the Director-General to keep Member States fully apprised of the EDP programme by quarterly briefings and information notes;

"(i) Examined the proposals of the Director-General for the programme and budgets, 1992-1993 (IDB.8/8/Rev.2 and relevant sections of IDB.8/8/Rev.1-PBC.7/10/Rev.1, as well as IDB.8/50/Add.1-PBC.7/19/Add.1) together with the recommendations of the Programme and Budget Committee (PBC conclusion 1991/16);

"(j) Decides to adopt for submission to the General Conference for consideration and approval the proposed programme of work and corresponding estimates for the activities to be financed from the regular and operational budgets, 1992-1993 contained in document IDB.8/8/Rev.2 and relevant sections of IDB.8/8/Rev.1-PBC.7/10/Rev.1, as well as IDB.8/50/Add.1-PBC.7/19/Add.1;

"(k) Recommends to the General Conference that it appropriate on the basis of an exchange rate of US$1 = AS 12.90 a total amount of $178,440,300 for the regular budget of the Organization in 1992-1993 as follows:

	US dollars
Policy-making Organs	2,543,000
General Management	6,001,100
Programme and Project Development	32,386,900
Industrial Promotion, Consultations and Technology	16,895,400
Industrial Operations	34,569,700
Common Programmes	15,631,800
External Relations, Public Information, Language and Documentation Services	23,206,400
Administration	47,206,000
TOTAL GROSS APPROPRIATIONS	178,440,300 a/

a/ Assumes ratio of expenditures of 11 per cent in United States dollars and 89 per cent in Austrian schillings at an exchange rate of US$1 = AS 12.90, in accordance with financial regulation 5.1(d). This ratio will also be applied to the appropriation for technical co-operation.

Budgetary estimates may be subject to revision owing to changes in inflation assumptions.

the amounts in the appropriations to be adjusted in accordance with the adjustment formula presented at the end of the present decision, to take into account the exchange rate variations during the biennium;

"(l) Recommends that the vacancy factor for Professional posts be adjusted and the appropriations revised accordingly in the event that any State announces its intention to join the Organization and is included in the scale of assessments for the fiscal period 1992-1993 adopted by the General Conference;

"(m) Recommends that the foregoing appropriations be financed from:

(i) Payments of contributions by Member States, under the provision of financial regulation 5.5(e), amounting to

$176,689,700 at an exchange rate of US$1 = A$ 12.90 ($19,435,900 plus the equivalent in US dollars of A$ 2,028,574,020), in accordance with decisions to be adopted by the General Conference at its fourth session concerning the scale of assessments; and

(ii) Estimated miscellaneous income amounting to $1,750,600 at an exchange rate of US$1 = A$ 12.90 (representing $1,325,400 plus the equivalent in US dollars of A$ 5,485,080);

"(n) Also recommends to the General Conference that it approve estimates of expenditure totalling $50,795,900 (calculated at the exchange rate of US$1 = A$ 12.90) for the purpose of the operational budget for the biennium 1992-1993 to be financed from voluntary contributions and such other income as might be provided for in the financial regulations.

Adjustment formula in US dollars

	US$	A$
Policy-making Organs	443,000 +	(27,090,000 /R)
General Management	746,000 +	(67,491,500 /R)
Programme and Project Development	3,841,100 +	(368,198,810 /R)
Industrial Promotion, Consultations and Technology	2,395,100 +	(186,632,010 /R)
Industrial Operations	3,714,900 +	(398,120,010 /R)
Common Programmes	2,538,200 +	(168,575,320 /R)
External Relations, Public Information, Language and Documentation Services	2,335,200 +	(267,118,900 /R)
Administration	3,422,400 +	(545,347,470 /R)
TOTAL NET APPROPRIATIONS	19,435,900 +	(2,028,574,020 /R)

Note: R is the average United Nations exchange rate for Austrian schilling to US dollar, which will be experienced during 1992-1993."

10. After consideration of a draft conclusion on the programme and budgets, 1992-1993 contained in document PBC.7/20, annex II, the Committee adopted conclusion 1991/17.

Conclusion 1991/17

11. The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Notes the intention of the Government of Australia to renew Australia's membership in UNIDO as of 1 January 1992;

"(b) Recalls that, in accordance with financial regulation 5.6, new Members shall be required to make a contribution to the regular budget for the year in which they become Members and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the General Conference;

"(c) Adopts and recommends to the General Conference that it approve the following adjustments to the regular budget for 1992-1993 as adopted in decision IDB.8/Dec... (PBC conclusion 1991/16), which shall take effect upon Australia becoming a Member of UNIDO in 1992:

(i) The vacancy factor rate for Professional-level posts shall be reduced from 9 per cent to the standard vacancy factor rate of 5 per cent;

(ii) The total gross appropriation shall be adjusted accordingly from $178,440,300 to $181,776,700 as follows:

	US dollars
Policy-making Organs	2,543,000
General Management	6,139,300
Programme and Project Development	33,189,700
Industrial Promotion, Consultations and Technology	17,322,800
Industrial Operations	35,560,000
Common Programmes	15,832,100
External Relations, Public Information, Language and Documentation Services	23,682,500
Administration	47,507,300
TOTAL GROSS APPROPRIATIONS	181,776,700

the amounts in the appropriations to be adjusted in accordance with the adjustment formula presented at the end of the present decision, to take into account the exchange rate variations during the biennium;

"(d) Approves and recommends to the General Conference that it approve that the foregoing appropriations be financed from:

(i) Payments of contributions by Member States, under the provision of financial regulation 5.5(e), amounting to $180,026,100 at an exchange rate of US$1 = A$ 12.90 ($19,802,900 plus the equivalent in US dollars of A$ 2,066,879,280), in accordance with the scale of assessments adjusted to take into account the membership of Australia, as shown in the following annex;

(ii) Estimated miscellaneous income amounting to $1,750,600 at an exchange rate of US$1 = AS 12.90 (representing $1,325,400 plus the equivalent in US dollars of AS 5,485,080).

Adjustment formula in US dollars

	US$		AS	
Policy-making Organs	443,100	+ (	27,088,710	/R)
General Management	763,600	+ (	69,346,530	/R)
Programme and Project Development	3,923,900	+ (	377,528,820	/R)
Industrial Promotion, Consultations and Technology	2,449,300	+ (	191,868,150	/R)
Industrial Operations	3,793,600	+ (	409,786,560	/R)
Common Programmes	2,559,000	+ (	171,222,990	/R)
External Relations, Public Information, Language and Documentation Services	2,387,900	+ (	273,218,130	/R)
Administration	3,482,500	+ (	546,819,390	/R)
TOTAL NET APPROPRIATIONS	19,802,900	+	(2,066,879,280	/R)

Note: R is the average United Nations exchange rate for Austrian schilling to US dollar, which will be experienced during 1992-1993."

Annex

SCALE OF ASSESSMENTS FOR 1992 AND 1993
(Percentage)

States	UNITED NATIONS: Rates for Member States a/ (1)	UNITED NATIONS: Rates for non-Member States b/ (2)	UNIDO: Rates for Member States: (1) or (2) multiplied by co-efficient 0.991058 c/ (3)
Afghanistan	0.01		0.01
Albania	0.01		0.01
Algeria	0.15		0.15
Angola	0.01		0.01
Argentina	0.66		0.65
Australia	1.57		1.55
Austria	0.74		0.73
Bahamas	0.02		0.02
Bahrain	0.02		0.02
Bangladesh	0.01		0.01
Barbados	0.01		0.01
Belgium	1.17		1.16
Belize	0.01		0.01
Benin	0.01		0.01
Bhutan	0.01		0.01
Bolivia	0.01		0.01
Botswana	0.01		0.01
Brazil	1.45		1.44
Bulgaria	0.15		0.15
Burkina Faso	0.01		0.01
Burundi	0.01		0.01
Byelorussian Soviet Socialist Republic	0.33		0.33
Cameroon	0.01		0.01
Canada	3.09		3.06
Cape Verde	0.01		0.01
Central African Republic	0.01		0.01
Chile	0.08		0.08
China	0.79		0.78
Colombia	0.14		0.14
Comoros	0.01		0.01
Congo	0.01		0.01
Costa Rica	0.02		0.02
Côte d'Ivoire	0.02		0.02
Cuba	0.09		0.09
Cyprus	0.02		0.02
Czechoslovakia	0.66		0.65
Democratic People's Republic of Korea		0.05	0.05
Denmark	0.69		0.68
Dominica	0.01		0.01
Dominican Republic	0.03		0.03
Ecuador	0.03		0.03
Egypt	0.07		0.07

States	UNITED NATIONS: Rates for Member States a/ (1)	UNITED NATIONS: Rates for non-Member States b/ (2)	UNIDO: Rates for Member States: (1) or (2) multiplied by coefficient 0.991058 c/ (3)
El Salvador	0.01		0.01
Equatorial Guinea	0.01		0.01
Ethiopia	0.01		0.01
Fiji	0.01		0.01
Finland	0.51		0.51
France	6.25		6.19
Gabon	0.03		0.03
Gambia	0.01		0.01
Germany	9.36		9.28
Ghana	0.01		0.01
Greece	0.40		0.40
Grenada	0.01		0.01
Guatemala	0.02		0.02
Guinea	0.01		0.01
Guinea-Bissau	0.01		0.01
Guyana	0.01		0.01
Haiti	0.01		0.01
Honduras	0.01		0.01
Hungary	0.21		0.21
India	0.37		0.37
Indonesia	0.15		0.15
Iran (Islamic Republic of)	0.69		0.68
Iraq	0.12		0.12
Ireland	0.18		0.18
Israel	0.21		0.21
Italy	3.99		3.95
Jamaica	0.01		0.01
Japan	11.38		11.28
Jordan	0.01		0.01
Kenya	0.01		0.01
Kuwait	0.29		0.29
Lao People's Democratic Republic	0.01		0.01
Lebanon	0.01		0.01
Lesotho	0.01		0.01
Liberia	0.01		0.01
Libyan Arab Jamahiriya	0.28		0.28
Luxembourg	0.06		0.06
Madagascar	0.01		0.01
Malawi	0.01		0.01
Malaysia	0.11		0.11
Maldives	0.01		0.01
Mali	0.01		0.01
Malta	0.01		0.01
Mauritania	0.01		0.01
Mauritius	0.01		0.01
Mexico	0.94		0.93
Mongolia	0.01		0.01
Morocco	0.04		0.04
Mozambique	0.01		0.01
Myanmar	0.01		0.01
Namibia	0.01		0.01
Nepal	0.01		0.01
Netherlands	1.65		1.63
New Zealand	0.24		0.24
Nicaragua	0.01		0.01
Niger	0.01		0.01
Nigeria	0.20		0.20
Norway	0.55		0.54
Oman	0.02		0.02
Pakistan	0.06		0.06
Panama	0.02		0.02
Papua New Guinea	0.01		0.01
Paraguay	0.03		0.03
Peru	0.06		0.06
Philippines	0.09		0.09
Poland	0.56		0.55
Portugal	0.18		0.18
Qatar	0.05		0.05
Republic of Korea		0.22	0.22

States	UNITED NATIONS: Rates for Member States a/ (1)	UNITED NATIONS: Rates for non-Member States b/ (2)	UNIDO: Rates for Member States: (1) or (2) multiplied by coefficient 0.991058 c/ (3)
Romania	0.19		0.19
Rwanda	0.01		0.01
Saint Kitts and Nevis	0.01		0.01
Saint Lucia	0.01		0.01
Saint Vincent and the Grenadines	0.01		0.01
Sao Tome and Principe	0.01		0.01
Saudi Arabia	1.02		1.01
Senegal	0.01		0.01
Seychelles	0.01		0.01
Sierra Leone	0.01		0.01
Somalia	0.01		0.01
Spain	1.95		1.93
Sri Lanka	0.01		0.01
Sudan	0.01		0.01
Suriname	0.01		0.01
Swaziland	0.01		0.01
Sweden	1.21		1.20
Switzerland		1.08	1.07
Syrian Arab Republic	0.04		0.04
Thailand	0.10		0.10
Togo	0.01		0.01
Tonga		0.01	0.01
Trinidad and Tobago	0.05		0.05
Tunisia	0.03		0.03
Turkey	0.32		0.32
Uganda	0.01		0.01
Ukrainian Soviet Socialist Republic	1.25		1.24
Union of Soviet Socialist Republics	9.99		9.90
United Arab Emirates	0.19		0.19
United Kingdom of Great Britain and Northern Ireland	4.86		4.82
United Republic of Tanzania	0.01		0.01
United States of America	25.00		25.00
Uruguay	0.04		0.04
Vanuatu	0.01		0.01
Venezuela	0.57		0.56
Viet Nam	0.01		0.01
Yemen	0.01		0.01
Yugoslavia	0.46		0.45
Zaire	0.01		0.01
Zambia	0.01		0.01
Zimbabwe	0.02		0.02
Total	99.31	1.36	100.00

a/ Temporarily based on General Assembly resolution 43/223 A, para. 1; column (1) covers Member States of the United Nations that are Members of UNIDO as at 20 August 1991. Australia is also included on the assumption of renewed membership effective 1992.

b/ Temporarily based on General Assembly resolution 43/223 A, para. 3; column (2) of the present annex covers non-Member States of the United Nations that are Members of UNIDO as at 20 August 1991.

c/ Coefficient is not applied to Member States with assessment rates of 0.01 per cent or 25.00 per cent.

II. ADOPTION OF THE REPORT AND CLOSURE OF THE SEVENTH SESSION

12. On 23 August at 5.45 p.m., the Committee closed its seventh session, having entrusted the Rapporteur with the preparation and finalization of the report of its resumed seventh session (continued).

Annex I

STATEMENTS BY DELEGATIONS

1. The present annex contains statements of principle delivered by delegations in connection with the adoption by the Programme and Budget Committee of conclusion 1991/16. These statements have been included at the request of the delegations concerned and as agreed to by the Chairman.

2. The representative of Bolivia, speaking on behalf of the Latin American and Caribbean Group, said that there were no new factors that might allow that Group to modify the position it had maintained since the seventh session of the Industrial Development Board, unless it were agreed to postpone the decision on electronic data processing until the time when the fourth session of the General Conference adopts a final resolution on the matter.

3. The representative of Italy said that he did not see any sense in the wording of paragraph (c) of the conclusion.

4. The representative of the United States of America said that it supported the revised UNIDO programme and budgets for the 1992-1993 biennium, and noted that it represented a zero real growth budget. At the same time, the delegation expressed some concern over the nominal growth in the budget and urged UNIDO to seek every opportunity to reduce the level of nominal growth. The delegation supported the revised computerization programme (IDB.8/50/Add.2) and, in recalling the agreement reached in the Project Liaison Committee, asserted that the time had come to move forward on both the budget and the EDP programme.

5. The representative of Saudi Arabia expressed his reservations with regard to any increase in the budget of the Organization.

6. The representative of Algeria said that his delegation would not oppose consensus on the text under consideration. Nevertheless, he wished to underline that the acceptance of the text was without prejudice to the position of the Algerian delegation at the time of the adoption of Board decision IDB.8/Dec.27 concerning the examination of the practice of zero real growth budgets, in particular paragraph (f) thereof. The delegation drew attention to the fact that the Board should act consistently in that respect.

Annex II

DOCUMENTS SUBMITTED TO THE RESUMED SEVENTH SESSION (CONTINUED)

Symbol	Agenda item	Title
PBC.7/1/Add.2	3	Annotated provisional agenda. Addendum. Annotations to the item on the agenda of the resumed seventh session (continued)
PBC.7/10/Rev.2 IDB.8/8/Rev.2	10	Programme and budgets, 1992-1993 Revised proposals of the Director-General
PBC.7/19 IDB.8/50	10	Computerization programme of UNIDO. Progress report by the Director-General
PBC.7/19/Add.1 IDB.8/50/Add.1	10	Computerization programme of UNIDO. Progress report by the Director-General. Addendum
PBC.7/19/Add.2 IDB.8/50/Add.2	10	Computerization programme of UNIDO. Progress report by the Director-General. Addendum
PBC.7/20 IDB.8/51	10	Renewal of membership of Australia. Note by the Director-General
		* * * * * *
PBC.7/CRP.19	-	List of participants
		* * * * * *
PBC.7/CRP.13/Add.2	10	Strategic automation project - Draft final report. Submitted by Touche Ross Management Consultants. Addendum
PBC.7/CRP.15	10	Assessed contributions to the regular budget (current membership). Note by the Secretariat
PBC.7/CRP.16	10	Assessed contributions to the regular budget (current membership plus Australia). Note by the Secretariat
PBC.7/CRP.17	3	Annotations to the provisional agenda: List of documents
PBC.7/CRP.18	10	Programme and budgets, 1992-1993. Information on expenditures to date, electronic data-processing programme of UNIDO. Note by the Secretariat.